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PROGRESS ON THE IMPLEMENTATION OF THE UNITED NATIONS SYSTEM OF NATIONAL ACCOUNTS AND USES OF THE DATA IN AFRICA

LC/NAIROBI

INTRODUCTION

1. During the third session of the Joint Conference of African Planners, Statisticians and Demographers held in Addis Ababa, March 1984, the Statistical Committee discussed the subject of the implementation of the United Nations System of National Accounts (SNA) in countries of the African region and expressed concern that despite steady progress in implementing the system in general, the status of its implementation in many countries left much to be desired. The committee was also concerned that perhaps the fullest use was not being made of the system by planners and policy makers in describing and analysing economic change and in economic decision-making.

2. These sentiments were subsequently echoed by participants at the ECA National Accounts Training Workshops held in Addis Ababa, 30 September - 11 October 1985. Proposals for remedial action included more frequent inter-action of national accounts statisticians and development planners, so as to further increase the awareness of development planners that for proper and implementable development plans up-to-date and reliable statistics are needed. However, it was noted that some progress had been made in this direction in some countries by the establishment of producers/users committees on statistics, and that at the regional level the sessions of the Joint Conference of African Planners Statisticians and Demographers provided appropriate forum for much interaction.

3. The workshop was particularly concerned about the use or non-use by national planning ministries of the national accounts data which are being produced by statistical services and other institutuions within countries. In this regard, the hope was expressed that frequent meetings between producers, users and potential users of the data could help bring about a better understanding and more effective use of the data for national planning and development.

4. In view of the vast potentialities of the SNA for socio-economic analysis and planning, effort should be made by countries to design suitable accounts and tables which would be appropriate to national planning needs using the framework of SNA as a guide. Within this framework, countries can improve, elaborate and extent their national accounts and co-ordinate and systematize their systems of basic statistics.

5. The main focus of this paper is on the progress in the implementation of the SNA in the countries of the African region particularly over the last five years, and the uses of the data.

Implementation of the System

6. All indications point to steady progress in the implementation of the SNA in a number of countries. While some countries have made significant progress in compiling the accounts and tables, others are, as will be shown later in this paper, in the process of compiling some of them. An examination of official national statistical publications and national advisory mission reports reveals that an increasing number of countries have been compiling more of the SNA account and tables over the last five years. However, there are a number of countries in which the lack of trained national accounts staff has caused implementation to be somewhat slow.

7. Lack of trained staff has however not been the only constraint. Other constraints include the non-availability of basic economic statistics for constructing the accounts, and the building up of appropriate administrative machinery for generating well-balanced flows of data from related subject divisions of the statistical service and its field survey organization.

8. About one-half of the countries has compiled some of the selected accounts and tables of the SNA with varying degrees of completeness for a number of years. In some of these countries compilation has been on an ad-hoc basis. Among countries which have compiled these accounts and tables those which have received external technical assistance especially from the United Nations, feature prominently. This fact points to an urgent need for building up national capability which will ensure continuity of the work.

Compilation of the accounts

9. Out of the 31 countries for which information was available for this review, 21 have compiled the consolidated accounts of the nation, i.e., class 1 accounts:

Account 1 - Gross domestic product and expenditure
Account 3 -- National disposable income and its appropriation
Account 5 - Capital finance
Account 6 - External transactions

Two more countries have compiled only accounts 1, 3 and 5. In some cases savings are valued "gross", i.e., including consumption of fixed capital, and compensation of employees and operating surplus are not estimated separately. Lack of basic data which would normally result from censuses and surveys of economic activities has been able to compile the second half of account 5, and this has meant that data on net acquisition of financial assets, net incurrence of liabilities plus net lending to the world have not been made available.

10. Much less progress has been achieved with compilation of the class II accounts-production, consumption and capital formation accounts. Only six countries have attempted to compile some or all of these accounts on commodities and services. Egypt has compiled a complete set of the accounts. Libya has compiled accounts on final consumption expenditure of private non-profit services to households and final consumption expenditure of households. Benin and Sudan have compiled final consumption expenditures of government services, of households, and of producers of private non-profit services to households and Zaire has compiled production accounts - (agriculture and industry) - and accounts for producers of government services.

11. Information was available on 19 countries which have compiled the class III accounts, i.e., income and outlay and capital finance accounts for general government. Few countries have however attempted the capital finance part of the table. The position is far less encouraging as regards the other accounts. 11 countries: Benin, Burkina Faso, Botswana, Cameroon, Congo, Egypt, Ivory Coast, Liberia, Morocco, Swaziland and Zambia have compiled accounts for non-financial enterprises, corporate and quasi-corporate. Benin, Burkina Faso, Egypt and Morocco have attempted accounts for financial institutions and private non-profit insiitutions serving households except that Morocco has compiled only the accounts for financial institutions. Accounts III E - Households, including private unicorporated non-financial enterprises are available for Burkina Faso, Botswana, Cameroon, Congo, Ivory Coast and Morocco.

Supplementary accounts for developing countries

12. Although the SNA assigns the highest priority to the consolidated accounts of the nation -- i.e., production accounts by main industries, consumption, composition of gross capital formation, external transactions and parts of the income, outlay and capital finance accounts, it suggests that "a number of developing countries may find it of value to compile special national accounting data in respect of selected rural and urban areas .... The rural areas of most developing countries will account for a major part of the population and production of their economy". The system has therefore provided for the developing countries the class IV accounts - in respect of selected areas, and class V accounts -- in respect of key kinds of economic activity. No information on the compilation of these special accounts by African countries is available, but it is believed that not much progress, if any, has been made in this direction. However, it is hoped that with the rapid changes that are taking place in the socio-economic circumstances of countries of the region, and the increasing demands for a disaggregation of socio-economic data at sub regional level for planning, monitoring and evaluation economic and social development, fresh efforts will be made to compile some at least of these special accounting data.

Supporting tables in current prices - production, consumption expenditure and capital formation accounts: SNA. Tables 1-7.

13. Annex 1 presents a comparative account of the coverage of the supporting tables which have been compiled by various countries.

Table 4a - Gross domestic product by kind of economic activity

14. Nearly all countries which have implemented the revised SNA have compiled this table. However, defects exist. Imputed banking service charges are, in a number of cases, not shown. Net indirect taxes by kind of economic activity and compensation of employees and operating surplus, value added by producers of government services and producers of private non-profit services to households are not shown.

Table 7a - Government final consumption expenditure according to cost composition and purpose

15. A good number of countries have compiled the table which is a very useful source of information on the role, growth and importance of the various organs of government.

Table 8 - Private final consumption expenditure (a) by type and (b) by object

16. Not many countries have compiled these tables. Only 10 countries have compiled both tables, while three other countries have attempted only table 8 (a) and another six countries, table 8 (b).

Table 9 - Composition of gross capital formation by (a) type of capital goods and (b) kind of economic activity.-

17. The table has been compiled by 34 countries. Of this number, nine countries have compiled only part (a) and another two countries part (b).

Co-ordinating function of the SNA

18. The SNA in its present form has numerous distinct built-in features that commend its use by developing and developed countries. The system provides an excellent framework for the collection of integrated sets of statistical data, a feature of particular relevance to African conditions, and also contains in its accounts and tables the necessary statistical data essential for economic analysis as well as for the formulation, implementation, monitoring and evaluation of development plans.

Uses of the SNA by African countries

19. This paper attempts to find out to what extent the SNA has been used in the African region as a framework for the formulation of data collection programmes, the extent to which the data called for in the construction of the various accounts and tables have been used to determine which surveys and censuses need to be undertaken and the types of basic statistics with which these inquiries are concerned.

20. Country practices in the use of the system have varied as is evident from the following selection from country replies:

(a) The revised SNA in respect of most sectors and classifications has been used as a framework for the formulation of the country's data collection programmes

(b) Most of the revised SNA classifications have been used in either the collection and compilation of basic data and the compilation of national accounts

(c) Most of the revised SNA classifications have been adopted for use in both the collection and compilation of basic statistics and in the compilation of national accounts

(d) Usually when a survey is designed SNA classifications and definitions are used as far as possible. An effort is being made to collect basic information according to the revised SNA on production accounts

(e) All possible attempts are being made to adapt survey questionnaires to the revised SNA. A good number of the accounts and tables of the revised SNA have been compiled with varying degrees of completeness

(f) The revised SNA has been used to some extent as a framework for the formulation of data collection programmes

(g) The country has not been able to implement the revised SNA definitions and classifications for data collection because of serious staff shortages.

(h) The revised SNA has not been systematically used as a framework for the formulation of data collection programmes, but SNA recommendations have been used to modify some survey programmes. The country compiles national accounts according to the revised SNA and not the courcier system as before.

21. From the above selection of country replies, one can conclude that African countries are in fact using the SNA as a framework for the formulation of data collection programmes.

22. However, not much information is available to the ECA secretariat on the use of the system for planning and economic analysis. Suffice it to say that the degree of use varies from country to country. Some development plans have been so formulated that quantifiable targets have not been put forward and the criteria by which the implementation of the plan may be judged do not therefore exist. The evaluation of plan progress would require up-to-date statistical series, in particular data relating to production -- agriculture, industry, etc--capital formation, revenue and expenditure of the public sector, external trade, balance-of-payments, etc. In other words, annual national accounts statistics in both current and constant prices are needed.

23. Not very many African countries compile and produce these data on an up-to-date basis. In a number of countries the data simply do not exist. In these cases planners have therefore resorted to planning without statistics, or try to do, some 'quick' national accounts estimates. The results in some cases have been inplausible. Delays in the availability of the national accounts series have been numerous. Such delays have certainly created problems for the formulation of development plans, and more so for plan appraisal and monitoring.

24. As a result, while most African development plans give data on the planned growth rates of GDP, few provide growth in GDP by sector, i.e. by kind of economic activity, and rates of the components of expenditure on GDP, i.e. capital formation, consumption (public and private) and exports and imports. Planned investment by sector and its sources of financing represent another area where, not infrequently, data are not available.

Conclusion

25. On reviewing the progress on the implementation of the SNA in African countries, the seventh session of the Conference of African Statisticians held in Dakar, 1971, had this to say:

"In the case of the French-speaking countries, tables on resources and uses classified by commodity group had been traditionally compiled; and the commodity flow approach and disaggregation had been emphasized. This would facilitate the transition in these countries to the compilation of the commodity accounts and tables of the revised SNA. However, difficulties would be encountered in compiling the accounts on income and outlay and capital financing because of the lack of basic data...."

"In the case of the English-speaking group, the production approach was frequently used and this would facilitate the compilation of the SNA accounts in respect of industries. They would however need to gather additional data on the output and use of commodities and for purposes of compiling the income and outlay and capital finance accounts ....". 1/

26. Much progress has been made in the construction of the national accounts since then, in spite of the extensive basic data requirements for some accounts and tables. However, a lot remains to be done if the full potentialities of the SNA for economic analysis and planning are to be realized. In addition, the national accounts should be produced on a regular and up-to-date basis. This calls for the building up of national capabilities. To this end the ECA National Accounts Capability Programme (NACP) has been providing and will continue to provide assistance, resources permitting, to countries. The programme aims at expanding

1/ Report of the 7th Session of the Conference of African Statisticians (E/CN.14/547) para. 96-97.

the present programme of technical assistance in national accounts into a more sustained package programme with a view to building national capability for compiling reliable and timely national accounts as an integral part of a country's statistical development effort.

27. The inadequacies and failures of the planning process cannot be attributable the data limitation only. The users-here we are talking of African Planners- have usually the responsibility, the authority and the access to resources to strengthen the process of statistical development.

28. It is to be hoped that the 1980 round of population, agricultural and industrial censuses, the national household surveys recently conducted or planned, and the International Comparison Project (ICP), will lead to the generation of much needed data for the implementation of the System of National Accounts in Africa, improve its quality and reliability and thus help make development planning easier.

29. It is essential for a development planner to have, at least in his mind, some sort of picture of the economy he is studying, "without a framework, individual pieces of information remain largely meaningless. The picture may be blurred and uncertain but it is essential to have one, if the programmes to be developed are not to hang in the air" 1/. "The framework need not be complete for the planner to be successful, nor must the national accounts estimate be exact"2/ .

1/ W.H. Stolper: Planning Without Facts (with reference to Nigeria) Harvard University Press 1966.

2/ R.M. Barkay: National Accounts with Limited DAta (with reference to Liberia) Economic Development Report No. 82. Havard University 1967.

Annex I

COMPARATIVE STATEMENT SHOWING THE COVERAGE OF NATIONAL ACCOUNTS TABLES COMPILED BY AFRICAN COUNTRIES

		1a	1b	2	3	4a	4b	5	6a	7a	8a	8b	9a	9b	10	11	12a	14a	14b	15	16	17
NORTH AFRICA																						
1.	Algeria	x		x	x	x	x	x		x		x								x		
2.	Egypt	x	x	x	x	x	x	x				x								x		
3.	Libyan Arab Jamahiriya	x	x	x	x	x	x	x		x	x	x	x	x		x		x		x		
4.	Morocco	x	x	x	x	x	x					x								x		
5.	Sudan	x	x	x	x	x		x		x	x	x						x		x		
6.	Tunisia	x	x	x	x	x	x						x					x		x		
WEST AFRICA																						
7.	Benin	x	x	x	x	x	x	x		x		x		x	x	x				x		
8.	Gambia	x																				
9.	Ghana	x	x	x	x	x	x			x	x	x	x							x		
10.	Ivory Coast	x	x	x	x	x	x	x				x	x			x				x		
11.	Liberia	x	x	x		x	x					x	x									
12.	Mali																					
13.	Mauritania	x				x	x	x	x	x						x				x		
14.	Niger																					
15.	Nigeria	x		x	x	x	x	x				x	x			x	x			x		
16.	Senegal	x				x																
17.	Sierra Leone	x	x	x	x	x	x	x	x	x	x	x	x							x		
18.	Togo	x		x	x	x		x	x	x	x	x		x		x			x	x		
19.	Upper Volta	x		x	x	x		x		x		x				x	x		x	x		
CENTRAL AFRICA																						
20.	Burundi	x	x			x	x					x	x							x		
21.	Cameroon Un. Rep. of	x	x	x	x	x	x	x		x		x				x	x			x		
22.	Central African Republic																					
23.	Chad	x	x	x	x	x	x	x		x		x								x		
24.	Congo																					
25.	Gabon	x	x	x	x	x		x	x	x		x				x	x			x		
26.																						
26.	Rwanda	x		x	x	x						x										
27.	Zaire	x	x	x	x	x	x					x										

x: Indicates that the table is compiled.

		1a	1b	2	3	4a	4b	5	6a	7a	8a	9a	9b	10	11	14a	14b	16	17
EAST AFRICA																			
28.	Botswana	x		x	x	x	x	x	x	x		x				x	x		
29.	Djibouti																		
30.	Ethiopia	x				x	x					x					x		x
31.	Kenya	x	x	x		x	x	x		x		x	x				x	x	
32.	Lesotho	x				x	x	x		x		x					x		
33.	Madagascar	x		x		x													x
34.	Malawi	x	x	x		x	x					x	x				x		x
35.	Mauritius	x		x	x	x	x	x		x	x	x	x			x	x		x
36.	Seychelles	x	x	x	x	x	x					x							x
37.	Swaziland	x		x	x	x		x		x		x				x	x		x
38.	Tanzania Un. Rep. of.	x		x	x	x	x			x	x	x	x						x
39.	Uganda					x	x					x							
40.	Zambia	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
OTHER AFRICA																			
41.	Reunion	x			x	x													x
42.	Zimbabwe	x	x	x	x	x	x	x		x	x	x	x	x		x	x	x	x
43.	South Africa	x	x	x	x	x					x	x	x	x	x		x	x	x

X: Indicates that the table is compiled.

Description of the Tables

1a Expenditure on the Gross Domestic Product in Purchasers' values, at Current Prices

1b Expenditure on the Gross Domestic Product in Purchasers' Values, at Constant Prices

2 National Income and National Disposable Income

3. Capital Transactions of the Nation

4a. Gross Domestic Product by Kind of Economic Activity, in Producers' Values, at current Prices

4b Gross Domestic Product by Kind of Economic Activity, in Producers' Values at Constant Prices

5 Domestic Factor Incomes According to Kind of Economic Activity

6a. Supply and Disposition of Commodities, at Current Prices

7a Government Final Consumption Expenditure According to Purpose, in Purchasers' Values, at Current Prices

8a Private Final Consumption Expenditure by Object, in Purchasers' Values, at Current Prices

9a Composition of Gross Capital Formation, in Purchasers' Values, at Current Prices

9b Composition of Gross Capital Formation, in Purchasers' Values, at Constant Prices

10 National Income and Distribution of National Disposable Income

11. Distribution of Capital Flows

14a Income and Outlay and Capital Transactions of General Government

14b Income and Outlay and Capital Transactions of Central Government

16 Income and Outlay and Capital Transactions of Households including Private Non-financial Unincorporated Enterprises

17 External Transactions